

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF INTER-COUNTY RURAL)
ELECTRIC COOPERATIVE CORPORATION FOR)
AN ORDER ISSUING A CERTIFICATE OF)
CONVENIENCE AND NECESSITY AND)CASE NO. 97-226
AUTHORITY TO BORROW A SUM OF)
\$9,705,000 FROM RUS AND \$4,159,000 FROM)
NRUCFC)

O R D E R

IT IS ORDERED that Inter-County Rural Electric Cooperative Corporation ("Inter-County") shall file the original and eight copies of the following information with the Commission with a copy to all parties of record within 7 days from the date of this Order.

1. Describe in detail any financing sources other than National Rural Utilities Cooperative Finance Corporation ("CFC") that were considered in securing the supplemental financing requested herein. This response should include the reason(s) that CFC financing was selected over other options as well as the results of any studies conducted which support the use of CFC financing.
2. Explain whether Inter-County will be able to meet its increased debt service requirements with the revenues generated by its existing rates.
3. Explain how Inter-County's current revenues are sufficient to cover the additional operating expenses it expects to incur related to the work plan.
4. Provide a copy of the Long Range Financial Forecast filed with RUS to support the proposed financing.

5. Concerning the purchase of the CFC Capital Term Certificate ("Certificate"), provide:

a. The calculations which support the rate for and the amount of Certificate purchases for the proposed loan.

b. An explanation of which option Inter-County plans to use in the purchase and the reasons this option was selected.

6. Describe the interest rate options currently available to Inter-County through CFC and provide copies of documents from CFC describing them.

7. If the advance of funds from this proposed loan were made by the date of Inter County's response to this Order, explain which loan program Inter-County would select and why. Include with this explanation the results of all economic studies and analyses used to make this selection.

8. Provide documentation which indicates that the loans have been approved by RUS and CFC.

9. Concerning the actual work performed under the 1997-2000 Work Plan:
a. When did Inter-County begin construction under the 1997-2000 Work Plan?

b. How much has Inter-County spent on the 1997-2000 Work Plan, as of the date of its response to this Order?

Done at Frankfort, Kentucky, this 19th day of June, 1997.

ATTEST:

PUBLIC SERVICE COMMISSION



Executive Director



For the Commission